

## Conducting Superfund Special Account Reclassifications

### ***Introduction***

This fact sheet provides supplemental information to existing guidance on special account reclassifications to facilitate the reclassification of site-specific Superfund expenditures with special account resources.

Superfund special account reclassifications make previously appropriated resources available for use by the program. Consistent with the Superfund special account use hierarchy outlined in the “Guidance on the Planning and Use of Special Account Funds” (September 28, 2010) and the “Revised Guidance on Reclassification of Superfund Special Accounts” (January 23, 2009) (“Reclassification Guidance”), Regions should maximize reclassification of eligible Superfund expenditures to the extent practical before transferring special account funds to the general portion of the Trust Fund.

### ***Preparing the Notification Memo***

Regions are required to notify Headquarters when reclassification will be undertaken with special account funds.

***Threshold Requiring Notification Memorandum.*** Regions are only required to notify OSRTI and OSRE of reclassification actions via a formal memorandum where the total amount being reclassified at one time is equal to or greater than \$200,000. For those reclassifications less than \$200,000, OSRTI and OSRE should be copied on emails to regional finance staff or the Cincinnati Finance Center (CFC) requesting them to process the reclassification transaction.

***Site Background.*** Revised sample memos have been issued to the Regions that include a sample reclassification justification memo.<sup>1</sup> Under the site background section, Regions are encouraged to reference existing site information maintained elsewhere (e.g., intranet/internet sites, previous reclassification memos) rather than reproduce that information in the memos. For record-keeping purposes, OSRTI will keep a hard copy of site background information that is referenced on the intranet or internet.

### ***Developing KV Documents***

Special account funds are reclassified with a “KV” document that is entered in the Agency’s financial system. A KV document identifies the lines of accounting that are to be decreased (previously expended appropriated funds) and increased (special account funds) to effectuate the reclassification and make appropriated funds available for recertification. The regional finance office or CFC enters these documents into the financial system. Please note that because KV transactions are not recorded at the document level, a document number is not required for KV documents. As a result, the new line item accounting associated with KV transactions does not appear in payment queries or systems.

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<sup>1</sup> The “Model Notifications to Headquarters of Milestone Special Accounts Transactions” was issued by OSRTI, OSRE, and OFM on April 22, 2011, and can be found at: <http://www.epa.gov/compliance/resources/policies/cleanup/superfund/sa-mod-notice-trans-mem.pdf>. The model documents are available in the special accounts section of the model documents web page on OSRE’s intranet at: <http://intranet.epa.gov/oeca/osre/documents/models.htm>

The following spreadsheet templates identify the data fields required for entering KV documents into the financial system. All of these data are required to process a KV document, with the exception of the Cost Org field, which should be used as applicable. Please note that BFY represents the Beginning Budget Fiscal Year of the obligation, not the fiscal year of payment. Also, regions should take care to ensure that, in particular, the Job Number or Site/Project Code is entered in the Agency's financial system for the applicable Beginning Budget Fiscal Year to ensure the KV document can be processed. Either template shown below can be used for developing the accounting data and requesting the KV transaction.

**Example 1. Spreadsheet Template of Accounting Data to Submit for KV Document**

BFY	Fund	RPIO	Org Code	Program Results Code (PRC)	Cost Org	Object Code (OC)	Job Number	Amount Expended	Decrease (D)/ Increase (I)
1994	4T	06	06L	TFA		1100	062H9	\$61,204	D
2001	T	06	6AB0E	50102D	C001	2505	062HRV00	\$45,862	D
2011	TR2B	06	06L	302DD2		1100	062HSW00	\$61,204	I
2011	TR2B	06	6A00E	302DC6	C001	2505	062HRV00	\$45,862	I

**Example 2. Spreadsheet Template of Accounting Data to Submit for KV Document**

Original Line Item Data for KV Decrease									New Line Item Data for KV Increase								
BFY	Fund	RPIO	Org Code	PRC	Cost Org	OC	Job No.	\$ Expend	BFY	Fund	RPIO	Org Code	PRC	Cost Org	OC	Job No.	\$ Expend
1994	4T	06	06L	TFA		1100	062H9	\$61,204	2011	TR2B	06	06L	302DD2		1100	062HSW00	\$61,204
2001	T	06	6AB0E	50102D	C001	2505	062HRV00	\$45,862	2011	TR2B	06	6A00E	302DC6	C001	2505	062HRV00	\$45,862
Total								\$107,066									\$107,066

Identifying appropriated expenditures available for reclassification. The Budget Detail Spending Query in EPA's Financial Data Warehouse (FDW) can provide the information that is necessary for the KV document, and this query accounts for previous KV transactions that have been conducted for the site (i.e., SSID). The steps to most effectively use this query for identifying appropriated expenditures for reclassification are:

1. Leave the "Budget Fiscal Year" blank to allow retrieval of data for all budget fiscal years.
2. Check the following fields to roll up on: Begin BFY, Fund, RPIO, Organization, Program, Object Code, Job No, Cost Org
3. Optional: To exclude most reimbursable expenditures, enter "TR2, TR2A, TR2B, TR1, TR3" in the "Fund" code field, and select "Not Equal" (some other expenditures such as 08R" or PRC "RLP" will still need to be manually excluded)
4. Optional: To restrict search to your own Region, enter your RPIO number into the "RPIO" field and select "Equal"
5. Optional: To exclude payroll and travel, enter "10, 28" into the "Budget OC" field and select "Not Equal"
6. Enter only the four character SSID into the "Job Number" field
7. Copy results from FDW into Excel and sort on "Expended" column High to Low to identify most promising reclassification opportunities

A report for identifying appropriated expenditures for reclassification will also be made available through the OCFO Reporting and Business Intelligence Tool (ORBIT) Information Center. Once the report is available, an email will be sent to the special accounts community with steps for accessing the report in ORBIT. In addition, CFC can assist with the identification of appropriated funds available for reclassification upon request.

*Crosswalking previous account codes to current account codes.* As Agency budget structures have changed, account codes and Superfund-specific codes have also changed. This frequently presents challenges in matching transactions from prior budget structures to the current budget structure. When reclassifying expenditures, Regions and Headquarters must use current year account codes to record KV increase transactions that correspond with the original account codes used to record the KV decrease transactions. To minimize account code conversions, Regions should consider reclassifying the most recent transactions first.

Although Program Results Codes (PRCs) have replaced Program Elements (PEs) in the Agency budget structure, there is not a one-to-one correlation between PEs and PRCs that are associated with different Agency budget structures. To reclassify appropriated funds that have old account codes, the Region may need to consider the PE/PRC field in conjunction with the NPM code and Activity/Action Code fields to determine the correct account codes to record the KV increase transaction. Similarly, because the Superfund program now uses two character Action Codes rather than one character Activity Codes, Regions may need to apply crosswalks to assign the correct action codes to the KV increase transactions. The tables in the appendix, which identify a select number of old program codes and their equivalents in the current (FY 2011) budget structure, may be used to effectuate this crosswalk. In FY 2012, the Agency will use a new budget structure that will require modification of these tables.

*Reclassifying payroll expenditures.* Reclassifying appropriated payroll expenditures charged to a site may require many more lines of accounting for the KV document than other expenditures. If this is the case, Regions may want to consider the time and effort required to reclassify payroll expenditures. Regions may determine on a case-by-case basis that it would not be in their best interest to reclassify payroll expenditures for a site, due either to staff workload concerns or the amount expended in payroll that is available for reclassification.

*Reclassifying pre-IFMS expenditures.* In the 1990s the Integrated Financial Management System (IFMS) was implemented by EPA for all of the Agency's accounting and financial transactions. Expenditures made prior to implementation of IFMS are known, for the purposes of this document, as pre-IFMS expenditures. Given the difficulty in identifying pre-IFMS expenditures and accounting for them in IFMS (or its replacement system, Compass), Regions should balance the time and effort required to reclassify these funds against the amount that will be made available.

*Uploading excel files to enter KV documents in IFMS.* Depending on the amount and activities being reclassified, KV documents may contain many lines of data. For reclassifications that have more than 100 lines of accounting, Regions should consider sending CFC an excel file, using one of the above spreadsheet templates, that CFC can upload into a KV document.

*Reclassifying pre-Compass expenditures.* Starting in FY 2012, the Agency will implement a new financial management system known as Compass. Superfund expenditures that will not be migrated into Compass

are known, for the purposes of this document, as pre-Compass expenditures. The Agency intends to develop an integrated pre- and post-Compass data reporting capability, but, in the interim, identifying pre-Compass expenditures and accounting for them in Compass may be difficult. Regions should consider the time and effort required to reclassify these funds against the amount that will be made available. Future guidance to address the reclassification of pre-Compass expenditures will be issued as more information becomes available.

### ***Reclassifying Headquarters Site-Specific Appropriated Expenditures***

In some cases, Headquarters has expended appropriated funds at sites for response actions. If, during its evaluation, a Region determines that additional funds will remain available in the special account after all suitable regional site expenditures have been reclassified, the Region should notify the appropriate Headquarters office (e.g., OSRTI, OEM, OSRE, etc.) to determine whether any Headquarters funds may be eligible for reclassification. Any Headquarters funds that are reclassified along with regional site-specific expenditures should be included in the total reclassification amount and described in a formal reclassification justification memorandum, if one is required.

The KV document should include regional account codes for the increase portion of the KV expending special account funds. Because regional Responsible Planning and Implementation Offices (RPIOs) do not have access rights in IFMS to process KV documents for other RPIOs, CFC will process the KV document for any reclassification that includes Headquarters funds. Headquarters offices are responsible for requesting recertification of reclassified Headquarters appropriated funds.

*For questions regarding the information in this fact sheet, please contact Tracey Stewart in the Office of Superfund Remediation and Technology Innovation (OSRTI) at (703) 603-8791 or [stewart.tracey@epa.gov](mailto:stewart.tracey@epa.gov).*

## ***Appendix: Crosswalks for Converting Old Account Codes into Current (FY 2011) Agency Account Code Structure for the Purpose of Reclassifying Special Account Resources***

To reclassify funds, Regions and Headquarters must use current year account codes to record KV increase transactions that correspond with the original account codes used to record the KV decrease transactions. The following method and charts were developed to assist in the identification of the appropriate current account codes to replace the original codes. These crosswalks are not definitive and have not been verified against all prior year Agency code crosswalks. Regions are encouraged to consult with appropriate Headquarters offices (e.g., OSRTI, OEM, OSRE, etc.), especially with respect to non-OSWER resources, and based on site-specific information, may vary from these procedures. If Regions do act at variance from these procedures, please inform OSRTI staff, who will work to update this crosswalk methodology, as applicable.

Based on end of FY 2010 IFMS data, select pre-BFY 2004 PE and PRC codes with Superfund site-specific expenditures were identified (see Table 1 and Table 2). BFY 2010 PRCs were assigned to each of these old PEs/PRCs based on the title of the code and its associated NPM (note all current year PRCs are assigned an asterisk and can also be found in Table 3). New PRCs were primarily assigned to old PEs/PRCs associated with the most common OSWER and OECA site-specific expenditures. New codes were not assigned to PEs known to be associated with the DOJ or HHS interagency agreements (IAs), nor to PEs that are recognized as reimbursable resources, as these expenditures should not be reclassified.

Because current PRCs do not necessarily have one-to-one correlation with older codes, current PRCs could not be assigned to all old codes, and instead Regions will need to review site allowances and action codes associated with the expenditure to appropriately identify the current PRC. In these cases, Regions should first rely on the Site Allowance (previously called Advice of Allowance) code crosswalk to determine the appropriate PRC (see Table 4). If Site Allowance codes are not included in the account string, the Region may use the Action Code crosswalk to make the appropriate PRC determinations (see Table 5).

The Action Code crosswalk must also be used to convert pre-1996 activity codes into current year action codes. Like PRCs, new action codes have finer resolution than the old activity codes. In many instances, the Region will have to apply its best judgment to action or activity codes that may not agree with current PRC definitions.

Based on the Financial Object Class, Regions must also assign the appropriate Agency Activity Code to the current year PRC. Additionally, Regions will need to assign current year NPM and Financial Object Class codes to KV increase transactions. Crosswalks for these codes are not provided.

**Table 1. Pre-FY 1999 Program Elements (PEs) Using Superfund Appropriated Resources**

<b>Orig. PRC</b>	<b>Orig. PRC Desc. (abbreviated)</b>	<b>NPM Name</b>	<b>Current PRC</b>	<b>Current PRC Desc. (abbreviated)</b>
ENX	FINANCIAL MANAGEMENT- REGIONS	AA ADMINISTRATION	Non-Program PRC-- Do Not Reclassify	
FAX	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
FZX	TECH SUPPORT-OECM	AA LEGAL & ENFORCEMENT COUNSEL	Enforcement	Review Action Codes or other to determine PRC
GBX	HAZ SUB TECH ENFORCEMENT	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
IFA	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
JBX	HAZ SUB LEGAL ENFORCEMENT	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
JJX	IAG DOJ	AA LEGAL & ENFORCEMENT COUNSEL	DOJ IA--Do Not Reclassify	
QFA	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
QFZ	SUPERFUND	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
QGB	ENFORCEMENT	AA SOLID WASTE & RESPONSE	Response or Enforcement	Review Site Allowances and Action Codes to determine PRC
R5X	HAZ SUB - SITE REMEDIATION	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
SFA	TESTING DK	AA ADMINISTRATION	Non-Program PRC-- Do Not Reclassify	
SGB	ENFORCEMENT	AA SOLID WASTE & RESPONSE	302EC7*	SF: ENFORCEMENT
TEN	FINANCIAL MANAGEMENT- REGIONS	AA ADMINISTRATION	Non-Program PRC-- Do Not Reclassify	
TFA	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
TFAY9A	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
TFZ	TECH SUPPORT-OECM	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
TGB	HAZ SUB TECH ENFORCEMENT	AA LEGAL & ENFORCEMENT COUNSEL	Response or Enforcement	Review Site Allowances and Action Codes to determine PRC
TGB	HAZ SUB TECH ENFORCEMENT	AA SOLID WASTE & RESPONSE	Response or Enforcement	Review Site Allowances and Action Codes to determine PRC
TGZ	HAZ SUB FINANCIAL MGMT REG	AA ADMINISTRATION	Non-Program PRC-- Do Not Reclassify	
TJB	HAZ SUB LEGAL ENFORCEMENT	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
TJJ	IAG DOJ	AA LEGAL & ENFORCEMENT COUNSEL	DOJ IA--Do Not Reclassify	
TJJ	IAG DOJ	AA SOLID WASTE & RESPONSE	DOJ IA--Do Not Reclassify	
TNZ	CRIMINAL INVESTIGATIONS	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
TPR	SUPERFUND SUPPORT	AA WATER	Response	Review Site Allowances and Action Codes to determine PRC
TPX	SUPERFUND SUPPORT	AA AIR,NOISE & RADIATION	104A97*	RADIATION: PROTECTION

Orig. PRC	Orig. PRC Desc. (abbreviated)	NPM Name	Current PRC	Current PRC Desc. (abbreviated)
TR5	HAZ SUB - SITE REMEDIATION	AA LEGAL & ENFORCEMENT COUNSEL	302EC7*	SF: ENFORCEMENT
TWF	HAZ SUB CONTRACTS & GRANTS-REG	AA ADMINISTRATION	Non-Program PRC-- Do Not Reclassify	
TYP	HAZ SUB.FEDERAL FACILITY ENF.	AA LEGAL & ENFORCEMENT COUNSEL	302EH2*	SF: FED FAC IAGS
UFA	REMEDIAL	AA SOLID WASTE & RESPONSE	Response	Review Site Allowances and Action Codes to determine PRC
UGB	REMEDIAL	AA SOLID WASTE & RESPONSE	Response or Enforcement	Review Site Allowances and Action Codes to determine PRC
YPX	HAZ SUB.FEDERAL FACILITY ENF.	AA LEGAL & ENFORCEMENT COUNSEL	302EH2*	SF: FED FAC IAGS
Z2X	RESOURCE MANAGEMENT - REGIONS	OFFICE OF CHIEF FINAN OFFICER	Non-Program PRC-- Do Not Reclassify	

**Table 2. FY 1999-2003 Program Results Codes (PRCs) Using Superfund Appropriated Resources**

Orig. PRC	Orig. PRC Desc. (abbreviated)	NPM Name	Current PRC	Current PRC Desc. (abbreviated)
50107A	CLEAN UP RADIOACTIVITY	AA AIR AND RADIATION	104A97*	RADIATION: PROTECTION
50103E	SUPERFUND ENFORCEMENT	AA ENFOR. & COMPLIANCE ASSURNC	302EC7*	SF: ENFORCEMENT
50103ERC	REGIONAL LEGAL ENFORCEMENT	AA ENFOR. & COMPLIANCE ASSURNC	302EC7*	SF: ENFORCEMENT
50103ERCX	REGIONAL LEGAL ENFORCEMENT	AA ENFOR. & COMPLIANCE ASSURNC	302EC7*	SF: ENFORCEMENT
50103EXXX	SUPERFUND ENFORCEMENT	AA ENFOR. & COMPLIANCE ASSURNC	302EC7*	SF: ENFORCEMENT
50104E	FED FAC INTERAGENCY AGREE	AA ENFOR. & COMPLIANCE ASSURNC	302EH2*	SF: FED FAC IAGS
90102E	REDUCE NON-COMPL/TRGTD AREAS	AA ENFOR. & COMPLIANCE ASSURNC	302EC7*	SF: ENFORCEMENT
50102D	REMEDIAL	AA SOLID WASTE & EMER. RESPNSE	Response	Review Site Allowances and Action Codes to determine PRC
50102DXXX	REMEDIAL	AA SOLID WASTE & EMER. RESPNSE	Response	Review Site Allowances and Action Codes to determine PRC
50108D	BROWNFIELDS	AA SOLID WASTE & EMER. RESPNSE	Brownfields PRC-- Do Not Reclassify	
50110D	FEDERAL PREPAREDNESS	AA SOLID WASTE & EMER. RESPNSE	302DC8*	SF: EPA EMERG PREPAREDNESS
50210D	FEDERAL PREPAREDNESS	AA SOLID WASTE & EMER. RESPNSE	302DC8*	SF: EPA EMERG PREPAREDNESS
50103J	SUPERFUND ENFORCEMENT	OFC OF CHIEF FINANCIAL OFFCR	Non-Program PRC-- Do Not Reclassify	

**Table 3. BFY 2010 (applicable for FY 2011) Program Results Codes (PRCs) Using Superfund Resources**

PRC	PRC Desc. (abbreviated)	NPM
104A97	RADIATION: PROTECTION	OAR
302D41	BRAC	OSWER
302D72	HOMELAND SECURITY	OSWER
302DC6	REMOVAL	OSWER
302DC8	EMERGENCY PREPAREDNESS	OSWER
302DC9	FEDERAL FACILITIES	OSWER
302DD2	REMEDIAL	OSWER
302DD3	OTHER FED AGENCIES	OSWER
302EC7	SF: ENFORCEMENT	OECA
302EH2	SF: FED FAC IAGS	OECA
302JC7	SF: ENFORCEMENT	OCFO
303DD2	REMEDIAL	OSWER
303FB3	RESEARCH:LAND PROTECTION,REST	ORD
402E57	ENV JUSTICE	OECA
501E50	COMPLIANCE MONITORING	OECA
501E52	CRIMINAL ENFORCEMENT	OECA
501E55	ENFORCEMENT TRAINING	OECA
504E62	FORENSICS SUPPORT	OECA

**Table 4. IFMS Site Allowance Codes**

Site Allowance	Site Allowance Desc.	PRC	PRC Desc. (abbreviated)
D	Brownfields	N/A	
E	Removal	302DC6*	REMOVAL
F	Fed Facilities	302DC9*	FEDERAL FACILITIES
J	Pipeline	302DD2*	REMEDIAL
P	Pipeline	302DD2*	REMEDIAL
R	Remedial Action	302DD2*	REMEDIAL
C	Homeland Security	302D72*	HOMELAND SECURITY
S	Removal Support	302DC6*	REMOVAL



**Table 5. Pre-FY 1996 Action Codes**

Action Code	Action Type Name	PRC	PRC Desc. (abbreviated)	New Action Code
0	Old R&D	N/A		
2	Old Judicial Enforcement	302EC7*	ENFORCEMENT	LT
3	Old State Liaison	302DD2*	REMEDIAL	MA
4	Old General Enforcement	302EC7*	ENFORCEMENT	NG
5	Old Removal Enforcement	302EC7*	ENFORCEMENT	RN
6	Old Remedial Enforcement	302EC7*	ENFORCEMENT	AN
7	Old General Superfund Support & Management	302DD2*	REMEDIAL	SW
8	Old Removal Support & Management	302DC6*	REMOVAL	SW
9	Old Remedial Support & Management	302DD2*	REMEDIAL	SW
A	Old General Superfund Support & Management	302DD2*	REMEDIAL	SW
B	Old Pre-Enforcement Activity	302EC7*	ENFORCEMENT	NS
C	Old Removal PA (6 years)/RPM Intramural (2 years)	302DC6*	REMOVAL	RS
D	Old Removal Post PA/OSC Intramural	302DC6*	REMOVAL	RS
E	Old Removal Actions	302DC6*	REMOVAL	RV
F	Old Monitoring RP Removal/Remedial Actions	302DD2*	REMEDIAL	BF
G	Old Evacuation and Emergency Assistance (4 years)/Oversight (2 years)	302DC6*	REMOVAL	RV
H	Old Remedial Analysis	302DD2*	REMEDIAL	QB
J	Old Pre-Remedial	302DD2*	REMEDIAL	QB
K	Old Field Investigation Studies	302DD2*	REMEDIAL	QB
L	Old RI/FS	302DD2*	REMEDIAL	CO
M	Old Feasibility Study	302DD2*	REMEDIAL	FS
N	Old Remedial Design	302DD2*	REMEDIAL	RD
P	Old Oversight	302DD2*	REMEDIAL	--
PS	Old (1999) Legal Review of Documents	302EC7*	ENFORCEMENT	PS
PX	Old (1999) Site-Specific BRAC Costs	302D41*	BRAC	PX
Q	Old Planned Removal Actions	302DC6*	REMOVAL	RV
R	Old Remedial Action	302DD2*	REMEDIAL	RA
S	Old O&M Monitoring(5 years)/O&M (2 years)	302DD2*	REMEDIAL	OM
T	Old Enforcement Actions	302EC7*	ENFORCEMENT	GE
U	Old Lab Analysis	302DD2*	REMEDIAL	LA
V	Old RA Master Plan Development	302DD2*	REMEDIAL	RD
W	Old Expedited Response Action	302DC6*	REMOVAL	RV
X	Old RA Oversight (2 years)/Midwest Floods (2 years)	302DC6*	REMOVAL	RV
Y	Old Removal TAT Activities	302DC6*	REMOVAL	RS
Z	Old TAG	302DD2*	REMEDIAL	TG